

## 2015 State of the City Address

July 21, 2015

Mayor James Ellison

Good afternoon and thank you for being here today. It is my privilege to share with you the 2015 Royal Oak State of the City Address. Before we begin, there are a few introductions I would like to make.

I am always delighted when my colleagues take time out from their busy schedules to attend this speech. Please welcome Mayor Pro-Tem David Poulton, City Commissioner Kyle DuBuc, City Commissioner Sharlan Douglas, City Commissioner Jeremy Mahrle and City Commissioner Pat Paruch. I'd also like to welcome our 44<sup>th</sup> District Court judges: Judge Derek Meinecke and Judge Jamie Wittenberg. And please join me in welcoming Congressman Sandy Levin and State Senator Marty Knollenberg.

I want to acknowledge Barbara Wheeler and the Royal Oak Rotary Club for once again being our hosts. Your passion for service in our community, as always, exceeds expectations.

I also want to thank Aaron Belen and the staff of Bistro 82 for the lovely meal, great service and relaxing ambience. Congratulations on being named the 'Detroit Free Press Readers Choice Best New Restaurant of 2015.'

Please join me in recognizing Superintendent Shawn Lewis-Lakin for his visionary pursuit of community excellence and service to children. As many of you know, the school district recently received notification from the International Baccalaureate Organization in Geneva, Switzerland, that Royal Oak Middle School and Royal Oak High School are now officially recognized as IB World Schools. Congratulations. Under Shawn's leadership, student achievement continues to head in a good direction in Royal Oak.

And finally, would all city employees in attendance please stand? Led by City Manager Don Johnson, these people – among other things – put out fires, keep our streets safe, install playground equipment, clear our streets of record-breaking snowfall, assist the elderly, design our roads, take care of legal matters, rescue dogs and cats and oversee elections. And, yes, they collect parking ticket payments, too!

Thank you all for your dedication.

### **Best Place to Live**

It's the everyday efforts of city staff, businesspeople, such as Aaron, and community volunteers, such as the Rotary Club, that keep Royal Oak consistently ranked as one of the 'best places to live' in the State of Michigan.

Royal Oak's vibrant downtown, network of public parks, many events, great schools and low crime rate all play a huge role in making our hometown a wonderful place to live and raise a family.

Our city's ever-growing popularity continues to be evident by the number of new houses being built. Last year 131 new houses were built. This year, to date, 76 new houses are under construction with others in the works. We are on track to have 500 new homes built in Royal Oak in just four years.

We all know great communities care about low crime rates, which is why I am pleased to report Royal Oak continues to see impressive reductions in crime. In fact, we had fewer home invasions, fewer vehicles stolen and fewer assaults than at any other time on record. Police Chief Corrigan O'Donohue reports Part A crimes, which involve force or threat of force, have dropped more than 25 percent in the last four years.

Thanks to community support for a public safety mileage, the Royal Oak Police Department continues to rebuild after historic staffing lows in 2011. The chief expects the department to be fully staffed by 2016 with 79 sworn officers committed to efficiency, effectiveness, innovation and safety.

On that note, I would like to introduce one of the newest members of our elite police department. Please welcome K-9 Officer Michael Stajich and Jesse, Royal Oak's new police dog.

Two-year-old Jesse is a Belgian Malinois which is a short-haired version of a Belgian Shepard. Malinois dogs are known for their great personal protection skills and are often used in police work or as war dogs. The United States Secret Service uses muzzled Malinois dogs to guard the grounds of the White House.

K-9 Jesse joins K-9 Ryker as the department's second police dog. Both are trained in two areas of specialization: narcotics detection and tracking. In 2014, the ROPD K-9 unit responded to 131 service calls.

Officer Stajich chose the name Jesse, after receiving more than 100 suggestions on the city's Facebook page. The name is in memory of Officer Jessie R. Crowe, who, in 1931, was the first member of the police department to be shot and killed in the line of duty.

I encourage citizens to read the full text of the Royal Oak Police Department's Annual Report, which is available on the city's website – [romi.gov](http://romi.gov).

Keeping residents out of harm's way is also the charge of the Royal Oak Fire Department. Over the past year our first-rate team of firefighters made more than 6,000 runs, including the delivery of an infant on Interstate 696. The department continues to invest in lifesaving technology and equipment, including two new ambulances, new

stretchers and a new station alerting system that will ensure reliability and improve emergency response times.

### **Economic Development**

The real estate market in Royal Oak continues to gain strength. Residential values have continued to improve and new developments are in progress with many land divisions. Commercial and industrial properties have recovered nicely and this market has increased steadily.

In the past year, Royal Oak has made several strides in order to be more responsive to our business community's needs, and as a result, interest in investing in Royal Oak has surged. Both office and retail vacancy rates are below the average for Southeast Michigan, and our technology base continues to grow and expand. Just recently, Oakland County honored ten Oakland County-based companies that were selected by the Michigan Celebrates Small Business organization. This committee selects 50 businesses from across the state as the "Michigan 50 to Watch," and of Oakland County's ten, three are based in Royal Oak: Marvel Apps, Innovative Learning, and Gamer Saloon.

Continuing with the tech theme, Royal Oak successfully completed its crowdfunding initiative to transform the worn-out Center Street pedestrian plaza into a state-of-the-art 'smart park' that will incorporate many elements, including Wi-Fi, charging stations, solar panels, touch-screen kiosks, and sustainable landscaping. The Smart Park will

bring a downtown green space to the city that offers residents, students, professionals and visitors to Royal Oak opportunities to work, play and network in amazing new ways.

Royal Oak is also one of the latest municipalities to establish a Property Accessed Clean Energy program, or PACE, in the State of Michigan. PACE is an innovative way to help Royal Oak businesses save money, create jobs, grow the tax base and promote environmental sustainability, all at no cost to Royal Oak taxpayers.

Two of our goals with regard to economic development are to increase the amount of Class A office space in the city, and to ensure that Royal Oak remains a showcase of distinct and innovative retailers that provide an unparalleled shopping experience. With regard to the former, city staff continues to work with several developers to investigate the feasibility of creating more office space on city-owned lots. As of today, four office projects are in advanced discussions.

And with regard to the latter, our retail attraction efforts, led by The Retail Coach, have entered the final phase. Over thirty national retailers have been identified as fits for downtown and the Woodward Corridor, and discussions are currently in place to make Royal Oak their home.

Now an Oakland County One Stop Ready certified community, Royal Oak's consolidation of the Planning, Building, and Engineering departments into Community Development is resulting in a more streamlined development process, allowing for

increased communication between the city and new business prospects. We also worked with the city clerk's office to eliminate licensing for many businesses and activities for which we believed there was no longer justification for imposing additional standards beyond that required during site plan review and permitting procedures.

The city is moving forward with the transformation of Normandy Oaks into a nearly 40-acre park. Development proposals for single family residential and multifamily homes are being vetted as I speak, and responses for the actual design of the park are due next week.

### **Challenges Ahead**

I am proud to say Royal Oak is deserving of its high ratings. That being said, as we look to our future, we have noteworthy challenges that need to be addressed.

Legacy costs are our most significant problem. Thirty-three percent of the city's current personnel budget is paying for workers long retired. We are spending more than \$16.9 million per year now to pay for services delivered years ago. That is \$16.9 million that could be used to enhance our parks, fix our buildings, repair our roads, improve other services and perhaps even cut tax rates.

Legacy costs are a problem we must face and we must fix. However, it is a problem we do not face alone and it is a problem we shouldn't have to solve alone. Almost every established unit of local government in the nation is burdened with legacy costs, as are

most states. It is a problem that is far bigger than the City of Royal Oak and far bigger than the State of Michigan. We will do our share, but we will need help.

Another area we have identified for improvement is customer service. While I feel fortunate to have the quality of city employees that we do, our most recent City of Royal Oak Public Opinion study identified increasing engagement and satisfaction as a top priority for our residents. To that end, beginning this fall, all city employees will attend training designed to offer an introspective look at customer service values and culture that we believe will meaningfully improve our image and communication.

Last November, our citizens took ownership of fixing our deteriorating local streets when they voted to approve a levy of up to 2.5 mills for the next decade to maintain, repair and reconstruct our local roads. The result is concrete, asphalt, and composite streets that were once in very poor condition are being removed, replaced and repaired with new pavement. Our 10-year Pavement Management Program & Millage Plan of Action will touch every local road with poor surface conditions in Royal Oak.

It's important to note, the goal of our pavement plan is to spend money wisely and maximize impact. It is more cost effective to rescue salvageable roads first, than to begin by spending a lot of money replacing a few of our worst roads. It's about making the wisest repairs. It's tantamount to getting your oil changed every three months so you don't have to replace your entire engine. But rest assured, we will get to the worst roads over the next few years.



After years of relying solely on dwindling revenue from state distributions of fuel and vehicle registrations to make necessary repairs, I commend our voters for stepping up and making the sacrifices needed to continue to make our community worthy of praise.

Continuing on the topic of infrastructure maintenance, in March of 2014, the city commission approved a contract to OHM Advisors to complete a study of the city's sewer system. Keep in mind that this was six months before the historic storm event of August 11 that produced between 4.5- and 8.5-inches of rain across the region. In fact, metering devices were in place during the flood and were able to provide a great deal of data regarding our sewer capacity during such an extreme rain event.

The good news of OHM's findings is that it appears that catch basin restrictors and other private storm detention systems put in place have significantly reduced peak flows in the sewer system, perhaps by as much as 50 percent. This, however, wasn't enough last August when more than 3,000 residents filed damage claims with the city regarding basement backups. Hydrologic modeling that day showed that flow peaks during the historic rainfall were larger than a 200-year event. To further complicate the matter, metering showed the county interceptor experienced a significant overload – as high as 10 to 20 feet above the crown of its pipes – and that also contributed to significant overloading on Royal Oak's sewer system.

OHM's recommendations included that we request Oakland County to conduct a study of the county inceptor system and that we continue our storm water catch basin restrictor program. OHM also recommended the city to begin to investigate the use of green infrastructure. To that end the city has already identified two locations where green infrastructure is currently being planned. The future Center Street smart park and the Grant Park parking lot, which is being built this summer, will both have bio-retention cells that will consist of an organic layer of soils and groundcover designed to absorb runoff.

I would be remiss if I did not take this opportunity to remind our citizens of the risks of basement backups from sanitary sewers. We encourage you to protect high risk / high value basements by researching potential solutions, such as check valves, and having proper insurance coverage.

### **Our Greatest Resource**

While thinking back to the historic August weather event, I am reminded that our greatest resource continues to be the people who live and work here. Whether it's stepping up to approve a public safety or road millage, or stepping down into neighbor's basement to help with the unglamorous task of cleaning up after a flood, the people of Royal Oak are both passionate and compassionate when it comes to their hometown and neighbors.

During the August flooding emergency – as the city worked with social media, email blasts, robocalls and the media to get out crucial messages – I witnessed the response

of neighbors and community activists committed to returning our city to the treasure that it is.

I applaud our residents for demonstrating extreme patience as Rizzo Environmental Services garbage haulers worked long hours over the course of days to remove mountains of debris from the city sidewalks. It was uplifting to see an often underappreciated group of workers rise to hero status as citizens greeted them with bottled water and cheers as they made their way through town.

This spring, our community proved it is as generous as it is resilient when, for the first time, we conducted a crowdfunding initiative. We set what we believed was a realistic goal of \$60,000 to, as previously mentioned, transform the Center Street Parking Deck pedestrian plaza into a state-of-art smart park.

As I am sure you have all heard, the response from this community was overwhelming. We hoped for \$60,000 and what we got was more than \$100, 000 – and checks are still coming in.

At this time I would like to recognize the following organizations for their very generous donations:

- Emagine Theater

- Vibe Credit Union
- Consumers Energy Foundation
- Arts, Beats & Eats Foundation
- and Bistro 82

The success of our crowdfunding campaign qualified our project for a grant from the Michigan Economic Development Corporation. On July 10, the MEDC presented the city with this check for \$60,000.

Thank you all. We are looking forward to seeing you all at a ribbon cutting ceremony next spring.

By the way, Royal Oak residents will soon have a chance to propose ideas for the official name of our new smart park. You'll be able to submit your suggestions via social media to be sure to "like" Royal Oak City Hall on Facebook and Twitter or signup for our weekly email blast on the city's website – [romi.gov](http://romi.gov).

In conclusion...

[Mayor gives his final thoughts.]